General
MOHAMMAD ZIA-UL-HAQ
Chief of the Army Staff and
Chief Martial Law Administrator

PRESS CONFERENCE

RAWALPINDI, JANUARY 1, 1978

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Following is an English rendering of the transcript of the Press Conference addressed by General Mohammad Zia-ul-Haq, Chief of the Army Staff and Chief Martial Law Administrator at Rawalpindi on January 1, 1978

Today's Press Conference is important for more than one reason. To start with, this Press Conference is being held on the first day of the new calendar year and I extend to you my warmest greetings. Secondly, this Press Conference has raised expectations. I hope I shall not disappoint you and the nation but if you expect miracles, I think may not perhaps fulfil your expectations.

In keeping with the past practice, this Press Conference began with a recitation from the Holy Quran and I too would open it with a very important subject namely Nizam-i-Islam. This subject has been discussed and debated earlier too. There are many aspects of enforcing of Nizam-i-Islam. First of all, take the Constitution. According to the Article 227 of the Constitution, all laws of the country are to be brought in conformity with Islamic injunctions in the light of the Holy Quran and the Sunnah and no law which is repugnant to these principles is to be enacted. But the procedure which the previous Government had adopted for its implementation was that an

Advisory Council was constituted whose recommendations were to be passed by the National Assembly before these could be enforced. Now the Constitution is there but there is no Assembly. As a stop-gap arrangement, I and my colleagues have to do that job.

The Constitution did not empower the Supreme Court to annul such laws which are repugnant to Islam. With a view to removing this lacuna, an order is being issued to vest the Supreme Court and the High Courts with powers to declare any law, to the extent it is repugnant to the tenets of the Holy Quran and the Sunnah, null and void. The Ministry of Law also is examining all existing laws with a view to bringing them in conformity with the Islamic injunctions. This is a step towards the establishment of an Islamic polity. There are several aspects of this issue which embrace economy, education, social norms and prayers. All these are related not only to the society but to the individual as well. It is true that offering of prayers is the private act of an individual, for which individual action will be required. But to introduce the Islamic injunctions in other sectors, we shall have to make collective efforts. In this respect whatever is to be done by the Government, it will do so without delay. It will promptly consider recommendations made by the Islamic Advisory Council and implement them in the form of law.

There are a number of duties which fall in the purview of individual and collective endeavours. Some gentlemen have asked me to enforce Islamic laws. I have done so but it is incumbent on every one of us to strive individually and collectively to act upon Islamic injunctions.

The first and foremost obligation is namaz. The word namaz has been mentioned 73 times in the Holy Quran. Now it is to be seen how many among us will set an example for others in this direction.

Then comes zakat which has been mentioned 33 times in the Holy Quran. We have under active consideration a comprehensive plan for collection and proper utilisation of zakat and ushr. However, unless a machinery is

set up for giving it a practical shape mere promulgation of orders for collecting zakat may get some public applause but in my opinion it would not be proper from practical point of view. As soon as the plan is finalised, it will be announced.

Islam lays particular emphasis on providing for the poor and the orphans. Our orphanages have not yet come under the supervision of the Government. I would, therefore, like to pay particular attention to them. It will be the responsibility of the Government to manage orphanages on right lines.

Then we have religious schools (maktabs). Government has no intention whatsoever of taking over these Maktabs. Nevertheless, the Government is duty-bound to look after them. If the Government can be responsible for maintenance of primary and middle schools and colleges there is no reason why should it not look after the needs of religious schools. In this connection with whomsoever I had had an opportunity to exchange views I impressed upon them that the religious schools should not be used merely as places where mullas are trained. Where has our religion confined learning to religious education and teaching of Arabic only? On the contrary, it has enjoined upon Muslims to acquire knowledge even if they have to go to as distant a place as China in pursuit of knowledge. I also urged upon them to examine the curriculum and educational standards of Madrasahs in order to teach history, geography, mathematics and science, alongwith Hadith and Fiqah to the students. So these institutions must be looked after. The Government will do its duty and I hope that Inshaallah there will soon be an advance in this direction.

So far as our personal conduct in our individual lives is concerned it is incumbent on us not to forget our duties while asking for our rights. Now, Islam has forbidden profiteering. How far have we removed this evil which is the main cause of increase in prices and consequently of hardship to our brothers? Our religion calls upon all of us to earn honest living through hard

work and sweat. Mere lip-service to Islam would be of no help.

Another important question which is upper-most in public mind is that of accountability. What is accountability? What is its objective? When would this process come to an end? When would the elections be held? This issue is particularly agitating your minds as well as those of the politicians. It is also being asked why the process of accountability is being delayed and whether the duration of this process could be reduced by any means?

First of all, I would like you to understand what is the process of accountability. You are fully aware of the circumstances in which the process of accountability had to be started and you also know that its purpose is to provide for the country a clean and honest leadership in future.

There are two aspects of accountability: first, scrutiny of declarations of assets and secondly examination of the cases of misuse of power, nepotism and wasteful expenditure of public funds. Now as regards assets, the Martial Law Regulation No. 21 was issued asking former members of the National Assembly, Senate and Provincial Assemblies to submit declarations of their assets. So far as the second aspect is concerned, the official records were examined, public complaints were heard, newspaper reports were probed into besides collection of material from various sources by the intelligence agencies.

The declarations of assets continued to be received till the end of September and the process of scrutiny started in October. Scrutiny did not mean mere verification of figures given in the declarations. All relevant agencies had to be contacted to ascertain whether the entries made in the statements were correct. Thus for conducting investigations into each and every statement, several agencies had to be approached which included the Revenue Department, the Irrigation Department, Customs, Income Tax, Investment Corporation of Pakistan (ICP), Department of Imports and Exports and many other bodies. The process of accountability is spread over four

phases. The first phase relates to scrutiny which I have just mentioned. An Army Officer and his staff have worked on it. This has helped in indentifying persons with black and clean records and of course some bordering cases. Their cases were also scrutinised. Persons against whom no adverse material was found have been let off.

After the completion of the task of the Scrutiny Board, the cases were referred to the Commission of Inquiries comprising an Army Officer, a Magistrate and the representatives of the concerned departments like Customs, Board of Revenue, Income Tax and Excise. This Commission examined all these cases, and persons against whom incriminating material was found were provided an opportunity to defend themselves in accordance with the principles of justice. All such persons against whom the Commission is still conducting enquiries will also be provided an opportunity to explain and defend their position. They will have to do so in person. In my opinion, a person against whom there is a complaint or a charge-sheet, can best defend himself. Particularly our politicians who are involved in irregularities are educated people and well acquainted with law and of course some of them have acted quite cleverly. They were not allowed to bring their lawyers but they themselves defended their position. This is the second phase of the scrutiny.

The Commission of Inquiries has presented its recommendations on the basis of its findings as to whether the material furnished to the commission was reliable or not, whether they were guilty of committing irregularities or not and whether cases could or could not be instituted against them.

The third phase will start when after receiving the recommendations of the Commission of Inquiries, these cases would be sent to Special Tribunals each of which will consist of a High Court Judge. These tribunals will examine all these cases. However, in view of their limited number, and with due deference to our judiciary I would humbly submit that owing partly to the requirements of law and partly to other limitations the pace of our judicial

work is rather slow. So, we have decided to make a slight amendment in the procedure in order to accelerate the process of accountability. There will be no change in the procedure laid down in respect of the first and second phases. Only after the recommendations of the Commission of Inquiries have been received, a committee consisting of myself and Martial Law Administrators will first decide on the basis of material before us whether the continuance in politics of the person concerned is in the national interest. In other words you can say that such person has been subjected to PRODA (Public Representative Offices Disqualification Act) or EBDO (Elective Bodies Disqualification Ordinance) and eliminated from politics. After we have taken these decisions, the political process would be completed, but the process of accountability and justice which we have started will not have been completed. This process would be complete only after the Special Tribunals have taken whatever action they deem proper on the recommendations of the Commission of Inquiries. I hope this change in procedure would help in crystallizing the position as to who are going to be disqualified from taking part in politics for a prescribed period of time. The Tribunals would then decide what punishments whould be awarded to the guilty ones for their misdeeds.

If you are interested in figures, we received in all 968 declarations of assets. Out of these, the scrutiny of 398 declarations has been finalised and investigations into the remaining 570 declarations are in their final stages. As a result of this process, enquiries against about 200 persons involved in various malpractices are being conducted and about half of the work has been completed. These include a few well-known personalities of the past.

The process of disqualifying the guilty ones under the afore-mentioned amendment would begin from January 15 and I hope that as the scrutiny and the task of the Commission of Inquiries move towards completion, this work would continue uninterrupted, and within the next two or three months the political process would be completed. So far the judicial process is concerned I am not in a position to hazard a guess as it lies in the realm of

judiciary. My only concern is to see that the ends of justice are met on the basis of the available material and evidence.

Under the President's Post Proclamation Order No: 16, Special Tribunals would hear cases relating to accountability. This process would not affect the cases currently being heard or those that will be filed in Anti-Corruption or other courts. Preliminary investigations indicate that the number of persons against whom cases will have to be instituted in these courts will not be very big. Our judiciary is fully aware of the country's needs. I hope that the Judges of these Special Tribunals would, beside meeting the demands of justice, try to expedite the disposal of these cases so that the process of accountability comes to a close without delay and the people can elect their representatives.

Apart from elections and accountability there are certain other important problems about which I would like to tell you briefly. The details of some of these problems have been given in the documents distributed at this Press Conference to apprise you of the realities of the situation and enable you to ponder over them. Some of these are of such magnitude that they cannot be satisfactorily explained in a few questions and answers. The Information Secretary has, therefore, been given special instructions to explain all the aspects of problems which concern the economy, through special discussions over Television and Radio within the next four or five days, so that all doubts are cleared and misgivings dispelled and the nation is made to see the real situation. Gentlemen of the Press assembled here can employ their pen to project all aspects of these problems.

PRICES

I am conscious that the most important problem which is agitating every body's mind is that of prices. I know that people are more interested in a solution of this problem instead of listening to its causes. I am fully alive to the feelings of my countrymen and wish to see an appropriate solution to this

problem. The point to ponder is why there is increase in prices. If prices could be controlled by a Martial Law Order, I would have issued one or more on July 5 to bring down the prices. But it would be a temporary and unnatural step to bring down prices through Martial Law Orders. In this way commodities would, of course, sell at cheaper rates for a few days, but then they would disappear from the market. The only way of bringing down prices is to strike a balance between demand and supply. It is for you to determine why this balance was not achieved in our country and who is responsible for it. There are many causes of increase in prices, one of which I consider necessary to mention here. It is that although the public expenditure during the last five years has increased manifold there has been no corresponding increase in production. Last year, the rate of increase in production was zero. To meet the situation, deficit financing was resorted to. Deficit financing, in simple language, means that additional currency is injected into the economy but the quantity of the commodities remains the same. You can well imagine what will be the position of prices if there is more money and less goods. So this is the position that internal inflation has been further compounded by international inflation. However what I have gathered from personal observation and from statistics furnished by different departments is that there is shortage of essential commodities, but not acute scarcity. We are plagued with inflation which needs to be controlled. Due to enormous increase in the currency in circulation the number of buyers has gone up resulting in increase in prices. Besides, there are two other drawbacks. In the case of perishable items the middlemen resort to large-scale profiteering. In other commodities sold in the retail market, the retailers are earning profits out of all proportion.

In our country, no standard rates of profit are adhered to in business. If one is honest, one would keep a margin of 10 per cent profit. If some one wants to get rich quick, one will make 50 per cent profit. Certain items are sold at as much as 200 per cent profit. If you look into the case of medicines alone, you will be shocked to see how unscrupulous some of our people are.

Thus, our foremost duty is to cut down on our demand as consumers and to reduce the rate of profit if we are in business. I have constituted a Committee to determine the rates of profits, and if its impact is not felt within a short period, then I shall be constrained to fix the rate of profit for every article and enforce it through Martial Law. If the profiteers did not mend their ways and tried to by-pass the law, they would be differently dealt with.

I do not deny that high prices are causing hardships, but we have to keep in mind the ill effects of the wrong policies of the past six years which are now surfacing. We are only harvesting today what was sown earlier. We cannot remove hardships in a single day. However, as we are responsible for governing the country for some time, it is our endeavour to create favourable conditions for the next elected Government so that it does not face the difficulties which we are having to countenance. It is a principle of economics that if a wrong policy is followed for a year, it takes three years to set things right. We are not talking in terms of years but of months. Let us make joint efforts toward this end.

Our journalist friends are at liberty to report facts. However, I would request them that instead of writing all the time only about the price spiral, they should also analyse it. Even facts, if not presented in their correct perspective, create doubts in the public mind.

God has blessed me with a large measure of patience. My colleagues and I have no intention of revising our policy towards the Press. But if some take the wrong path, and there are persons who are on the wrong path, they have to be persuaded to try to understand. If they find shortcomings and wish to point out, fine, but I will also request them to suggest measures to rectify them. The Government is not run by one individual. No doubt it is run with the help of the people's representatives. In the absence of such representatives, it is our joint responsibility. You cannot shed your responsibility by saying that General Zia-ul-Haq, the Chief Martial Law Administrator is solely

responsible for solving each and every problem. You cannot remain an idle spectator. I therefore request you not to confine yourselves to criticism alone, but also to suggest solutions for problems.

It is the duty of a journalist to observe facts, investigate the causes and analyse their effects for the enlightenment of the community. But if you want to concentrate on criticism it is of little consequence to me, because I have no intention to contest the elections. However, you must keep in view the impact of your writings on the public mind? Are you doing any service to the nation and the country by not presenting a fair analysis of problems? My Government needs and will continue to need your cooperation.

Despite the frightful economic situation, the Government is making all-out efforts to provide essential commodities at reasonable prices to the people. Take wheat for example: the Government purchases it at Rs. 37 per maund, and taking into account transportation and milling charges it costs the Government Rs. 48.80 per maund. But atta is sold at Rs. 43 per maund through ration depots.

In the context of ration depots, I take this opportunity to refer to a report concerning my recent inspection of a ration depot in Lahore. Some gentlemen among you reported that the depot holder was tutored in advance and that was why he said there was no shortage of 'atta' and the mill owners were playing the mischief. There is no truth in this allegation. Such a report betrays the mentality of the person who fabricated it.

There is no dearth of atta in ration depots, and quality-wise it is also better because nothing has been extracted from it. Its colour may be somewhat different. Unfortunately we are ready to pay Rs. 50 per maund for a whitish atta sold in white bags, even if suji and maida have been extracted from it, but we find fault with the atta which the Government provides at cheaper rates through ration depots. We are easily misled by appearance. Again it is the fault of our mentality. However, we have taken notice of this,

and the Punjab Government has announced that it will supply white atta of the consumer's liking. Let me inform you that the Federal and Provincial Governments are spending Rs. 97 crore as subsidy on wheat supplied to the consumers.

Although there is no shortage of atta in ration depots yet the Government has released a considerable quantity of wheat from its reserves to flour mills in order to ensure plentiful atta even in the open market. There is no restriction on the sale of atta in the open market. The availability of additional quantity of atta would help stabilise the prices. Besides, the Government has taken steps to check hoarding and smuggling.

To improve the wheat reserves situation further, the Government has made arrangements to import 10 lakh tons of wheat. You may be interested to know that when Agricultural Adviser Mr. Amir Mohammad made an announcement in Peshawar regarding the import of 10 lakh tons of wheat, atta price went up there as the people apprehended that there was shortage of wheat in the country. When he made the same announcement in Lahore, prices there fell because the people thought it fit to sell their stocks immediately. You ought to know how the market responds to different situations.

There may be some thing wrong in the distribution system here and there, but I am confident that there will Insha Allah, be no shortage of wheat.

Efforts are also underway to lower the prices of other commodities. But if one expects miracles, then, as I have already said, it is not possible. The real problem that has to be borne in mind is that production will have to be stepped up to meet the demand. I am glad to say that thanks to the hard work of our farmers and the blessings of Almighty Allah, this year the prospects of rice and cotton crops are quite bright which will have a salutary effect on our economy. Insha Allah we hope to achieve an yield of 93 lakh tons of wheat, 29 lakh tons of rice and about 35 lakh bales of cotton during 1978.

Cotton production this year has registered an increase of 35% over that of last year. There may be some decline in the production of sugar.

Our economic crisis is mainly due to the fact that during the last six years the country has been spending beyond its limited resources. This has caused imbalance in our budget. During this period, while the cost of living went on increasing, domestic growth recorded no increase at all. Ten to fifteen years ago, our economy showed remarkable increase in production but the scope of its distribution remained restricted. On the other hand during the last six years, distribution has increased disproportionately without corresponding increase in production. Both are harmful. Only a policy of ensuring balance in production and distribution can be beneficial to the country. Deficit financing does not provide a long term solution to our problem. Nor can the monetary loss resulting from an increase in imports be borne. We have no short-term solution to the problem. We can overcome the problem only by tightening our belts and by increasing production.

This brings me to the budget. The current budget was presented in June 1977. We have been obliged to review the budget because it suffers from certain shortcomings. We have tried to achieve the following objectives: contain inflationary pressures, decrease the prices of essential items, utilise industrial capacity, encourage cash-earning industries, completely discourage the use of luxury goods and rectify balance of payments. We also need to make more investments in development works. Therefore, in order to overcome the present crisis, some adjustments have been made in the tax structure. Its details are given in a separate paper.

I will briefly touch upon some of the more important aspects of the Budget review. As you have seen, no increase has been made in the prices of atta, sugar, vegetable ghee, tea, kerosene oil and petrol. I take the opportunity of explaining here a point about vegetable ghee. As you know, when its production started, it was necessary to make it look like 'desi ghee' by hydrogenising it. This process is still being employed. It costs one rupee per

seer merely to whiten edible oil although it makes no difference from the health or nutrition point of view.

I have therefore, directed that this process be done away with so that the price of edible oil—call it ghee or whatever you like——is lowered. This kind of edible oil is available in the market. Now the journalists should educate the people that if ghee is not whitish, it makes no difference.

No increase has been made in rates of electricity despite the commitment we have made to the World Bank to increase the rates of electricity. In view of the prevailing circumstances, we have decided not to increase it. Electricity is cheaper in Pakistan than in other countries. It is a matter of concern that about 36% of the power generated by us is either stolen or goes waste due to some technical faults. I have issued strict orders that pilferers of electricity be brought to book and power-leakage plugged to avoid the loss of 36%.

The central excise and the custom duties on the following items have been totally withdrawn:—

i. Raw tobacco generally used in 'Huqqa' in our villages.
ii. Woollen thread used in carpet-manufacturing and hosiery etc.
iii. Tooth-paste, tooth-powder, dry battery cells, shoe polish and cream.
iv. Rubber and plastic goods, excluding tyres and tubes.
v. Second-hand clothes.

The most important decision in this regard is the withdrawal of excise duty on bicycles. By this decision the price of bicycles would be Rs. 150 less than the prevailing prices.

It has also been decided to withdraw state control over newsprint. It would be available on O.G.L. from today. This decision meets a long standing demand of the press.

Tax has been enhanced on the following items:–

1. An increase, ranging from 25 per cent to 40 per cent, has been made in the duty on imported machinery with a view to encouraging domestic manufacturing of such machinery.
2. Import of cars has been banned. However, cars will continue to be imported by individuals under baggage rules. But the duty has been increased by 15% on cars costing below Rs. 25,000, 25% on cars valuing between Rs. 25,000 to Rs. 35,000 and 50% on those above 35,000. However, duty has been reduced to 75% on cars of 1,000 cc which are generally used by the middle class people or are used as taxi cabs for commercial purposes.
3. The import of refrigerators, air-conditioners, and colour television sets, which are used by the upper strata of our society, is already limited. But to further discourage their import the rates of duty on these items have been increased from 100% to 120% from 160% to 200% and from 50% to 75% respectively.
4. 10% surcharge has been levied on income-tax and super tax. We all have to tighten our belts, even salaried persons, as all of us should contribute towards the betterment of the country.
5. There has been a lot of controversy about agriculture tax. As you know the previous Government had announced agricultural tax primarily for political reasons, because it was never implemented. Consequently, wherever I went, the oft-repeated question was whether the tax is being levied or not. Let me make it clear that ground work is yet to be completed. Hence no agriculture tax will be levied during the current fiscal year ending June, 1978. As you are aware, 25 acres of irrigated and 50 acres of 'barani' land is already exempt from revenue tax. No change has been made on this account. However, the rate of revenue has been doubled over land exceeding 25 acres of irrigated and 50 acres of barani land. With the blessings of God Almighty, this matter will be settled for ever once we have introduced the system of Ushr. This will not

only facilitate the collection of revenue but it may also result in an increase in revenue receipts.

We hope to get Rs. 173 crore as a result of these tax adjustments.

We are plagued with cases of tax evasion like power-thefts. Therefore the machinery is being streamlined to recover Government dues and detect tax-evaders. We hope to get Rs. 100 crores from recovery of taxes evaded so far.

These were the salient features of taxation proposals. I earnestly request you, while you give a lot of space to politics, kindly to devote some space to educate and inform our people about national problems. Only 20% of our people read newspapers: 80% listen to radio broadcasts while 35% watch television. You can educate 20% at least.

Last year, we spent Rs. 4 crore on import of books. As against this we spent Rs. 12 crore on the import of betel leaf and betelnuts but none of you took notice of this in your newspapers. Have you ever given a thought to how much 'pan and chhalia' we consume? If I ban the import of these things, you and the politicians will make life difficult for me. As a matter of fact the nation has to review its habits. For example, we import all the tea we consume which cost us Rs. 90 crore last year. According to estimates, tea to the value of Rs. 120 crore has already been imported this year.

During my recent visit to China I have seen, and the journalists who had accompanied me will bear me out that despite the fact that China produces both tea and sugar in large quantities, they consume very little tea and with no sugar at all. When asked they said that they produce a lot of sugar but instead of consuming it they export the whole lot. Now mark the difference. China produces sugar but exports the entire quantity, while we in Pakistan consume the entire quantity of sugar produced here. Not only this, we import tea worth Rs. 120 crore and Pan worth Rs.12 crore. This calls for some hard

thinking. If we care to look at the main items of our expenditure, we will find that we are indulging in wasteful spendings all around. As long as we do not make a genuine and collective effort to improve the situation, things cannot change for the better. If you curtail your daily consumption of tea by one cup, and of Pan by one piece, it may lead to some improvement in the overall situation.

The same is true of our dress and style of living. Islam enjoins on its followers to refrain from ostentation. I had suggested some six months ago that we should take to our national dress - Shalwar and Kameez. A waistcoat or a Sherwani can be worn over it. We may even wear Khaddar (coarse cloth). I would again like to cite the example of China. They produce practically every thing but for export only. The Chinese themselves wear simple dress made of coarse cloth. They are a nation of 92 crore people as against our 7 crore. What I mean to emphasize is that all their efforts are directed towards making their nation strong. In this endeavour the people of China have stood shoulder to shoulder with the leadership and made a most creditable contribution. You should also impress upon our people the need for simple living so that there is less spending on unproductive items.

Another matter worthy of mention is the increase in the number of national holidays. Our salvation lies in hard work. Therefore the list of holidays for 1978 is being reviewed and an announcement in this respect will be made shortly. For the time being, it has been decided that there will be only one weekly holiday on Friday, and all of us will work six days a week. Our Christian brethren will, however, continue to enjoy half holiday on Sunday. The duty hours of factory workers will remain unchanged. It will, however, be considered a patriotic gesture on their part if they raise their duty hours voluntarily.

In order to supply the items of daily use to people at cheaper rates, the number of Utility Stores has been increased from 500 to 577. Steps are being taken to further increase their number to 750 so that more and more people derive benefit from the scheme.

The problem of rural uplift has claimed our pointed attention. A comprehensive plan has been drawn up in this connection by the Federal and Provincial Governments. As a matter of fact, we have already started implementing the plan. Eighty per cent of our population lives in villages who hardly have any basic amenities of life so much so that even ordinary medicine for curing headache is not available. Hence the following priorities have been fixed in the plan.

1) Drinking water
2) Medical aid
3) Other measures for the welfare of rural areas.
4) Inputs and equipment required to boost agricultural production such as tractors, fertilizer, seed etc.

Agriculture constitutes the backbone of our economy. If we manage to become self-sufficient in food, we won't have to go with a begging bowl before others. This plan has been drawn up with a view to providing basic amenities to villagers so that they may work single mindedly and whole heartedly to increase agricultural production.

Now a word about road accidents. There are several reasons for increase in such accidents. We are making some new rules with a view to reducing road accidents. A Traffic Week is being observed all over the country. The year 1978 which could also be termed as the Islamic year is beginning with the Traffic Week. I hope that by the grace of God we shall succeed in our efforts to ensure safety on roads.

As regards kachchi abadis, this issue has been used as a political football in the past. However, Government has decided that from today proprietory rights will be conferred on the inhabitants of kachchi abadis on Government lands. They will however, not be allowed to sell this land for a specified period of time.

Cases of kachchi abadis on private lands are also being reviewed so that they may also get proprietory rights after the rate of compensation to the owners and certain allied matters have been settled. Over and above this, the Federal and the Provincial Governments will take steps to provide water, electricity and other civic amenities to the kachchi abadis.

As you are aware that only recently a Tripartite Labour Conference was convened to consider measures for welfare of industrial labour. A committee has been set up to implement the decisions arrived at the Conference. I am quite hopeful that this measure will lead to better understanding between the employers and the employees and will go a long way in increasing production.

Now a word about political prisoners. I may tell you that since July 5, 1977, 11,109 political prisoners have been released and 1702 cases registered on political grounds have been withdrawn. Now there remain only 68 prisoners who are involved in criminal cases. The political parties, have, however, been told that the cases of these prisoners could also be reviewed if conclusive proof of their being instituted on political grounds is provided.

You are also aware of the case known as Attock and Badaber conspiracy case instituted in 1973 in which some persons were convicted. Now the normal laws provide for remission of part of the sentence of such prisoners and they can also make mercy petitions if they so desire. But all such concessions were withdrawn by a law enacted in 1976. This law was repugnant to the spirit of justice since a mercy petition does not alter the nature of the crime. Hence in order to meet the requirements of justice it has been decided to repeal the Remission of Sentence Act 1976 with immediate effect. This will enable the concerned convicts to benefit from the concession of remission of sentences under the ordinary jail rules.

In the end I would like to mention the Hyderabed case. This case was instituted in 1975. To begin with 9 persons were involved in it, later the number of accused increased to 92. The number of witnesses in this case stands at 445 out of which the statements of only 30 have been recorded so far. The courts have granted bail to some of the accused.

It was necessary to review this case. I have studied the Hyderabad conspiracy case and the problem of Baluchistan from close quarters. There is no doubt that there was some trouble in Baluchistan. But the main cause of the trouble was political. During the negotiations between the former Prime Minister and PNA leaders I was called to attend the meetings in my capacity as the Chief of the Army Staff. I was asked to explain to the PNA leaders the situation prevailing in Baluchistan. My opening sentence was that in Baluchistan the basic problem was political while efforts had been made to solve it militarily. I told them that though the military had succeeded to a great extent in controlling the situation, yet it was essentially a political problem and should, therefore, be resolved politically. We are one nation. People live in four provinces of our country and speak different languages in their provinces. But these differences have been exaggerated and blown out of all proportions so much so that some people have even questioned whether we are one nation or four nations.

I have studied this case very closely. The Intelligence reports which are received by me in my capacity as Chief of the Army Staff, made me realise that the case was politically motivated to a very large extent. This is not to say that other factors were not involved in this issue. There were. But keeping in view the larger interests of the unity of our people it was decided to review the entire situation. This was done in a bid to settle the matter by political means. This review led us to the conclusion that Hyderabad Tribunal, a special Court constituted under the Criminal Law Amendment Special Courts Act 1976, be abolished and general amnesty be granted to all the persons involved in this case. Mind you not pardon but general amnesty.

The intention is to open a new chapter by letting the bygones be bygones in the larger interests of the country, so that national unity is ensured through mutual understanding, and love and in the true Islamic spirit.

QUESTIONS AND ANSWERS

Question: *You have abolished the Hyderabad Tribunal but the Supreme Court had expressed its opinion about the defunct NAP. Do you intend to present a reference in the Supreme Court again?*

Answer: No Sir. As far as the Supreme Court is concerned there has been no change in its verdict, nor is the verdict under review. So there is no change in the recommendations of the Supreme Court. Exercising its powers, the Government has abolished the Special Tribunal after repealing the Criminal Law (Amendment) Act and has granted general amnesty to all the accused involved in the Hyderabad conspiracy case. This will have no effect on Supreme Court's Reference.

Question: *There were some approvers in the Hyderabad case who subsequently resiled from their previous statements. They are still in detention. What will happen to them?*

Answer: General amnesty means a general amnesty for all persons who were being tried in the Hyderabad case. This includes everyone.

Question: *You have been saying a lot about simple living. Why should this simple living not start from the Government offices and, as a first step, why not abolish this evil of retiring rooms from the Government offices?*

Answer: You have a very good suggestion there. We are also considering how to reduce tea drinking in Government offices and how to cut down visiting hours. As for the retiring rooms there are none in the Army. If there are any in the civil offices then they will cease to exist so that office hours

can be devoted exclusively to work.

Question: Would the General Amnesty be extended also to those people who have fled the country on political grounds?

Answer: No Sir. The General Amnesty is only for those being tried under the Hyderabad Case. A general amnesty was granted in 1974 which was followed by another in 1975, and then another in 1976, I had also announced after July 5, 1977 that those of our brothers from Baluchistan or the Frontier Province who have gone abroad were welcome to return to their own country. But there are still some doubts about their reasons for leaving the country. We have a list of some such persons and we would like to ask them a few questions. This is the only restriction.

Question: Sir, I am the Editor of daily Mehran, Hyderabad. You have lifted the Emergency and withdrawn the Defence of Pakistan Rules. There was a total of 24 cases against me which were instituted by combining DPR and other regulations. Now the DPR has been abolished but there are still nine cases pending against me under other related regulations.

Answer: Please give your name and address to the Information Secretary and all those cases will be closed.

Question: You have said that there has been no change in the Supreme Court's verdict. Can the affected Party move the Supreme Court for quashing the charges against it.

Answer: It is upto them.

Question: Would the surcharge on Income Tax apply to everyone?

Answer: There is no income tax on income upto Rs. 12,000/–. Those having an income above Rs. 12,000/– will have to pay 10 per cent surcharge

on the income tax or super tax they pay.

Question: In these days of inflation, this surcharge would be a great burden on low-income groups as they can hardly make both ends meet, as it is. Even otherwise there is a need for complete reappraisal of income tax regulations. Those who are affected by these regulations are either the salaried persons or those who pay their taxes honestly. Would it not be better to take steps against tax evasion and give some relief of three or four thousand rupees to low income groups?

Answer: We have taken this decision after thinking it over for some weeks. If you take stock of the effects of deficit financing resorted to by the previous Government, you will find that there are only two ways of meeting the deficit: either go abroad with a begging bowl or the nation tightens its belt and puts up with some hardship to make up this deficit. As regards prevention of tax evasion, as I have said earlier, Rs.100 crore would be realised by improvement in the income tax recovery administration and reforms in taxation rules and regulations.

Question: How long after the process of accountability would the polls be held?

Answer: As far as their political future is concerned, we shall go on taking decisions after January 15, as we go on receiving recommendations from the Commissions of Enquiry. This is one aspect of accountability. The other aspect relates to the cases pending in courts. Cases against some persons are already in courts. Cases of some 22 to 23 big fish will soon be presented in courts. The cases of the rest of the people would also be in courts. As soon as the important cases are decided, elections would be held sixty days after the completion of the process of accountability.

Question: For the purposes of elections, political accountability would suffice which you would start from January 15 and complete within three

months. Those declared ineligible would not be able to take part in elections. After that the courts may go on deciding cases against them, but you can go ahead with the polls.

Answer: As I have said already completion of political accountability will be the completion of one process. The other process consists of the major cases against them which we shall take straight to the courts. Polls would be held sixty days after these cases are decided.

Question: In order to resolve the political issues in the country, Mr. Abdul Wali Khan has proposed the convening of a round table conference of all leaders so that the necessary amendments can be made in the Constitution. In absence of elections no one can say to what extent any particular leader represents the people. What would be your reaction if these leaders arrive at a consensus on certain constitutional amendments? Would you incorporate these amendments in the Constitution?

Answer: This question is based on a supposition. What would Mr. Wali Khan or other leaders do should be asked from them. But as far as I am concerned, I have made it quite clear to the political leaders that there was excessive concentration of powers in the hands of the Prime Minister under the present Constitution. The President, who should be an elected representative had no powers at all. Parliament had no powers either. I have told them to devise some method of effecting a balance between these powers. I have requested them to include this in their manifestos. I would take a decision on this point in accordance with my own judgment and keeping in view the wishes of the nation.

Question: Political parties are demanding that limited activities should be permitted so that the present political deadlock can be resolved. What is your view on this matter?

Answer: My own view is that the less political activity we have the better

would it be. I also request you that instead of devoting major portion of newspapers to political activities, give some attention to important matters facing the nation.

Question: Your Government is silent about the status of women?

Answer: Islam grants equality to women.

Question: Are you going to appoint a commission to determine the status of women?

Answer: The status of women is already given in Quran and Sunnah. We have the Council of Islamic Ideology which will have a lady member on it. Women constitute almost half of our population. How can they be ignored? But there is no such thing as the right of emancipation. We believe that women have as much rights as men. Quran says so. But if you insist on such a commission, we can consider it. There is nothing wrong in it. I am only trying to prove my point.

Question: There is a public demand for the trial of the former Prime Minister. Except for a private case of murder no case has been instituted against him so far. After all what is preventing his trial, the public has become very impatient in this matter?

Answer: If you are conversant with the laws of our country then you would understand that it is not possible that people should be in detention and then their trial should coutinue. Such are the demands of the laws. You should also remember that the former Prime Minister and his colleagues were not so naive as to leave traces which I could have discovered readymade. We have spent five months trying to dig up evidence. You can wait for a couple of weeks more when you have waited for five months. Cases against the former Prime Minister would be instituted.

Question: Your Government has laid great stress on plain living and economy yet I have seen that the arrangements for decorations and pomp

and show involving expenditure of lakhs of rupees had started in the National Oil Refinery the moment your expected visit of 4th January was announced. I think you should go on surprise visits so that the national wealth is not squandered on this lavish scale.

Answer: First of all I have to inform you that the programme of 4th January has been cancelled as we are mourning the late Amir of Kuwait, Sheikh Sabah As-Salam As-Sabah. He was very sympathetic to Pakistan. I had met him during my last visit to Kuwait. He had very warm and friendly feelings for Pakistan. May Allah bless his soul. The Government of Pakistan has announced a seven day mourning which is the reason why I have cancelled Programme scheduled for the 4th January. Personally, I am very much opposed to such unnecessary expenditure. I may tell you in passing that when the Heavy Mechanical Complex (Texila) invited me recently then I said I would come only on one condition that they should erect no shaminas and have no paint polish job done. The maximum that they could do was to arrange chairs so that the people could sit down and they could have one chair for me too. I had also told them that if they wanted to serve tea then they should give just plain tea without any extra items.

Question: About accountability, the people are most anxious to find out as to how was the country dismembered and who was responsible for it. There were a number of reports in this matter but despite a lapse of five or six years, nothing solid has come to light so far?

Answer: Please wait for a few weeks, every thing will come out in the open.

Question: What is happening about the enforcement of the Islamic punitive laws?

Answer: The steps announced by me today are intended to enforce Islamic laws.

Question: *I was referring to the cutting off of the thieves' hands?*

Answer: **The thieves will get their hands chopped off.**

Question: *Is flogging an Islamic mode of punishment?*

Answer: **Absolutely. If you want to know why you can enquire from Mr. Justice Mohammad Afzal Cheema.**

Question: *On return from his recent visit to Pakistan, the President of Bangladesh has said that Pakistan has agreed to accept the non-Bengalees. Is it true and if it is then would it not be an additional burden on Pakistan's economy?*

Answer: **It is only about those 25,000 Biharis whose repatriation was agreed earlier by the previous Government. I explained to the Bangladesh President that we were facing some difficulties. I do not want that after being brought here they should be left like refugees without any suitable arrangement for their accommodation or employment. Another difficulty is that we have no ships. They can come only after these things have been arranged. When the Bangladesh President enquired about the rest (of Biharis) I told him to let the first batch come. In the meantime, he should also re-examine the issue because he also subscribes to the name of Islam. I asked him to consider whether the Biharis are non-Muslims or non-patriots and to think about their rehabilitation in their present homes in a spirit of understanding. Our responsibility extends to only 25,000 persons.**

Question: *Was there any discussion with the Bangladesh President on the division of assets?*

Answer: **Yes, like brothers.**

Question: *What was the result?*

Answer: I told him that if they are keen, talks may begin at the level of Foreign Secretaries.

Question: Does the General Amnesty cover all those persons who were detained during the last five or six years on political grounds?

Answer: There is General Amnesty for all those involved in Hyderabad case. We are taking a separate look at other cases.

Question: Many people in Baluchistan had left their homes because of the political situation and they have suffered great losses because of this. Are you doing anything for their rehabilitation or for awarding compensation to them?

Answer: We are considering this matter but you should know that a sum of Rs. 30 crore was allocated for Baluchistan's development last year while this year it has been increased to Rs.32 crore. All this amount is being spent on development and rehabilitation work. As far as compensation for the individuals is concerned it is a separate issue.

Question: People of Baluchistan have suffered from a sense of deprivation for the last thirty years. There is a widespread feeling there that Baluchistan comes last among the provinces in matters of development. For example, natural gas comes out from there but to supply the people of Baluchistan with gas, the pipeline is being laid only now. Would you do something for the development of Baluchistan on a prefrential basis?

Answer: Yes, of course, but I cannot make up for the lapses of thirty years in one day.

Question: You have laid emphasis on the importance of the national dress but what is preventing its adoption? If wearing the national dress is made compulsory at least in the Government offices, then the whole nation can be presuaded to accept it easily?

Answer: Insha Allah you will see something being done in this matter very soon.

Question: Has any attempt been made to talk to India about the Kashmir Issue?

Answer: No, we have been pre-occupied with important domestic problems. As far as Kashmir is concerned, it is a live issue, as you know.

Question: You are giving your attention to the orphanages, are there any steps under consideration for the widows?

Answer: Yes. Special steps would be taken for the widows and the orphans. As far as the Army is concerned. I have given special attention to this matter but since the issue has such wide dimensions it is being examined on a national level.

Question: The decisions that you take, particularly the political decisions, are they taken by the Military Council or by you individually?

Answer: The Military Council consists of the Chairman, Joint Chiefs of Staff, Chief of the Army Staff, Chief of the Air Staff, Chief of the Naval Staff, Secretary General-in-Chief and a staff officer of the CMLA Secretariat. All decisions made on the national level whether these be in political economic or in other fields are made with the approval of the Military Council and then these are enforced. Sometimes when I need to issue orders in advance, I obtain approval of the Military Council subsequently. This is the role of Military Council. It is the Supreme Body.

BACKGROUND PAPERS

ECONOMIC SITUATION

PAST ECONOMIC PERFORMANCE

The economic performance of Pakistan in the recent past has been most disappointing. In the last six years the average annual rate of growth was about 4% as against the growth of 7% actually registered by the economy in the last decade. We touched the bottom last year when there was hardly any growth and per capita income declined by 2%.

The country has been living beyond its means. There have been heavy budgetary deficits and the gap on the balance of payments has been widening. The high level of deficit financing has resulted in serious inflationary pressures. The monetary expansion has occurred at the average rate of about 20% per annum over the period 1973-1977 while the annual growth was only 4%. This inevitably exerted pressure on prices. The wholesale price index increased by 27% in 1973-74, 20% in 1974-75 and has been increasing at around 11% in 1975-76 and 1976-77. The cost of living index also showed a similar variation and increased by as much as 30% in 1973-74, 27% in 1974-75, 12% in 1975-76 and about 9% last year.

To meet this situation it is necessary to take action on many fronts. Measures have to be taken to deal with the stagnation of the economy and to activate growth. Special efforts have to be made to mobilise domestic resources, in the context of the large budgetary and balance of payments deficits. A stabilisation programme has to be adopted for containing prices. A medium term plan has to be drawn up to provide a framework for our future economic policies and programmes.

MEASURES FOR REVIVAL OF THE ECONOMY:

Several measures for reviving the economy had alredy been announced in September, 1977. In the field of agriculture, special efforts were made to

provide quality seeds and adequate supply of fertilizers. Steps were also taken to improve plant protection. Agricultural credit has been rapidly expanded and remunerative support prices have been fixed for several crops. These measures have already had salutary effect on the kharif crop. Our cotton production has registered an increase of 35% over the level of the previous year and we will be close to the target of 3.5 million bales. Rice production is now estimated at 2.9 million tons recording a growth of 8%. There has been a slight decrease in the production of sugarcane. However, despite this, sugar production for the year is estimated at 7 lakh tons. Minor crops like maize, jawar and bajra are also expected to register a modest improvement. The prospects of wheat crop are fairly good and the production target of 9.3 million tons is likely to be met.

In the industrial sector several measures have already been announced for promoting industrial investments in the private sector. The agricultural processing industries have been denationalised. Demarcation of public and private sectors for the purpose of industrial investment has been made. A concessional interest rate has been prescribed for fixed investments and the procedure for sanctioning industrial projects has been streamlined. The investment climate has already registered a distinct improvement which is reflected in the steep rise in the index of share prices, which has risen by 20% since June, 1977.

Production target have been fixed for 13 major industries and machinery has been set up for overseeing implementation and devising measures for removing impediments to industrial growth. Several concessions have been given to the textile industry including subsidised price of raw cotton and its credit requirements are being adequately met. Labour situation has recorded distinct improvement and it is expected to improve still further as a result of recent tripartite conference. Several tax concessions have already been granted to industrial sector and fiscal anomalies have been removed. A number of new measures are being announced today which will give further fillip to industrial production.

In the first quarter of the current fiscal year, our efforts succeeded mainly in reducing the pace of decline in industrial production. Since October, there is distinct evidence that the production is showing an upward trend. Notable increases have been registered in the production of vegetable ghee, cigarettes, paper, paper board, cotton, textiles, fertilizers, cement, jute goods and tyres and tubes. Industrial production is still below the targets fixed by Government. However, the future prospects for growth appear to be reasonably good.

MOBILISATION OF RESOURCES:

As regards the mobilisation of resources for containing the budgetary deficit, a separate paper is being circulated. The growth of agricultural and industrial production is expected to lead to increase in exports which should have a healthy effect on the balance of payments situation. It is, however, evident that for some years, the balance of payments gap will have to be met with the help of external resources. The inflow of foreign economic assistance in 1977-78 is proceeding according to expectations. The consortium countries have already indicated their pledges in the recent consortium meeting in Paris which amount to $ 755 million inclusive of the expected assistance for Tarbela. The level of aid commitment this year by consortium countries is likely to be significantly in excess of the commitments made last year. The aid from OPEC and other non-consortium countries is also expected to be in line with our projections.

PRICES:

The major factors responsible for the persistence of strong inflationary trends in economy have been the escalation in import prices and excessive monetary expansion without a corresponding rise in real production. Imperfections of our marketing and distribution system have further aggravated the problem.

Not much can be done so far as rise in international prices is concerned which currently is of the order of 7% to 8% in the developed countries. Domestically the basic cause of excessive monetary expansion has been the deficit in government financial transactions. In view of heavy commitments of expenditure both in development and non-development sectors, sharp curtailment in expenditure is not feasible without adversely affecting economic activity and employment. On the other hand there is limited scope for raising resources through direct taxation due to limited tax base. Raising of resources through indirect taxation itself involves controlled and specific increases in prices. This is, however, to be preferred to unbridled inflation due to deficit financing. The action that is being taken for containing deficit financing has been indicated in a separate paper.

Other price stabilisation measures which have been taken are the following:

i) Prices of atta, sugar, vegetable ghee, kerosene oil and tea are being kept at constant level.

ii) The open market prices of wheat have been showing an upward trend. Arrangements have, therefore, been made to import 10 lakh tons of wheat. The details have already been announced by the advisor for Agriculture. Wheat will be sold freely in the open market at Rs. 45.81 per maund. In view of the easy supply position, there will be no quantitative restriction on such open market sales.

iii) To curb profiteering the number of Utility Stores have already been increased from 500 to 577 and would be further increased to 750 by June, 1978.

iv) Refined edible oil is better for health than hydrogenated vegetable ghee. To popularise refined edible oil and to give relief to consumers the Vegetable Ghee Corporation has been directed to market a refined blend of quality edible oil, at a price about 20% lower than the price of vegetable ghee.

v) Price controls have been imposed on certain essential goods and Fede-

ral Government as well as Provincial Governments and Local Administrations are keeping a close watch on prices and taking action against anti-social elements. Marketing arrangements are being improved to curb monopolistic tendencies.

Fortunately, the price increase during the first five months of the current fiscal year has been moderate. The index of wholesale price recorded an increase of 4.4% over the first five months of the current fiscal year and the cost of living index has increased by 4.6%. The index of 28 essential items rose by 3.7% over the same period. So far, the indications are that price increase during the current fiscal year will be in single digits.

It is clear that there is no easy short term solution of the price problem. A solution has to be sought in the long run through increased production and following a prudent, fiscal and monetary policy.

PLANNING

For many years now the country's economic development has not been based upon a medium term plan which has led to ad-hoc decisions and un-coordinated portfolio of projects and programmes. The resulting wastages and lack of direction needed to be corrected and the Planning Division has been directed to prepare a Five Year Plan for the period beginning with 1st July this year. Priorities have been given to the planners, foremost among which are promoting rapid and balanced rural development, meeting the basic needs of the population, accelerating the growth of backward regions and providing adequate infrastructure to fulfil the pressing needs of the people and the economy. The outline of the new Plan is likely to be available in March, 1978 and implementation of the Plan will commence from 1.7.1978.

FOREIGN AFFAIRS

Since assumption of office as Chief Martial Law Administrator, General Mohammad Zia-ul-Haq has undertaken informal, friendly visits to Saudi Arabia, Iran, the UAE, Afghanistan, Kuwait, Turkey, Libya, Jordan and China.

Purpose of Visits

The visits were in pursuance of the policy to maintain close contacts with Islamic and other friendly States at the highest level. The countries visited are engaged in meaningful cooperation with Pakistan in economic, political and other fields. Many of them provide gainful employment to substantial number of Pakistanis. The visits helped establish personal rapport with the leaders of countries where Pakistan has important political and economic stakes. The visits also resulted in a better understanding on the part of these leaders of the political crisis which shook Pakistan last year and which impelled the Pakistan Armed Forces to break new ground in Pakistan's political life by establishing the principle of accountability, thus preparing the way for general elections and the return of normal political life. Press, Radio and T.V. coverage in all the countries visited was extensive and favourable. It underscored that Pakistan's relations with these key countries transcended personal factors and remained unaffected by the change of regime in Pakistan.

Personal Rapport Established

Media Coverage

Impetus to Continuing Cooperation

Talks held with top leaders of the eight Muslim countries visited have contributed to the promotion of Islamic solidarity and giving a strong impetus to the continuing cooperation between Pakistan and the countries concerned. The visits also served the important purpose of preventing any hiatus in economic relations as a result of Pakistan's earlier pre-occupation with the political crisis.

Talks with Members of Pakistan Community and Press Conferences

Everywhere the CMLA met members of the Pakistan community who were provided an opportunity for free and frank discussions on Pakistan's internal situation and their own problems. These meetings were lively and well attended. The CMLA also addressed press conferences in some of the countries visited. Where time and circumstances permitted, the Pakistan editors accompanying the CMLA were received by the leaders of the countries visited. A typical comment was that of Col. Qaddafi's who told the Pakistani journalists that Libya watched Pakistan's situation with keen interest and that his talks with the CMLA had opened the door to wider cooperation.

Visit to China

The CMLA's visit to China in mid-December was also highly successful in all respects. The CMLA and members of the Pakistan Delegation were warmly and enthusiastically welcomed. During the visit, they were received by Chairman Hua Kuo Feng and by the First Vice-Chairman of the National People's Congress, Madam Teng-Ying-Chao, widow of late Premier Chou En-lai. Two rounds of talks, lasting for six hours, were held with Vice Premier Teng Hisao-ping. The full range of Pakistan-China bilateral relations and the regional and world situation came under review. Chairman Hua Kuo Feng had an hour-long concluding session with the CMLA.

The talks reflected complete mutual confidence and basic identity of views on all matters of importance to the two countries. The Chinese leaders showed complete understanding of our internal developments and the circumstances which led to the take-over of the country's administration by the Armed Forces. They emphasised that China wanted to see a strong, united and stable Pakistan. Vice Premier Teng said that China would continue its good relations with Pakis-

tan as in the past and that there were no differences between Pakistan and China.

At the banquet on 16th December, Vice-Premier Teng reaffirmed China's firm and unswerving support to the Pakistani people's just struggle to safeguard their national independence and State sovereignty and opposition to interference from outside. At the banquet on December 18, he reiterated support for the exercise of self-determination by the people of Jammu and Kashmir.

Implementation Measures

Vigorous follow up action is being taken on matters raised during the CMLA's visits abroad:

The CMLA gave particular attention to the problems connected with the schooling of the Pakistani children abroad. Following the visit to Kabul, a sum of Rs. two lakhs was provided for meeting the needs of the Pakistan Embassy School there. A sum of Rs. 2.5 lakhs is being provided for putting the Pakistani school in Mecca on a financially self-sustaining basis. An eminent educationist in Kuwait, Dr. Afzal, has been assigned to carry out a special survey of the educational problems of Pakistanis residing in Kuwait, the UAE and Saudi Arabia.

The CMLA approved a special grant of Rs. one lakh and decided to raise the annual subsidy to Rs. 2.5 lakhs for the Pakistan Embassy School in Peking.

As a result of the close interest taken by the CMLA, the stay of thousands of Pakistanis in the UAE, who were without proper documents, has been regularised.

The possibility of bringing out an Urdu daily from Kuwait is being actively examined.

While the feasibility of a Cultural Hall in Teheran as a venue for functions organised by the Pakistan community is under examination, efforts are being made to obtain more spacious premises for Pak-Iran Cultural Association to meet the immediate requirements of the Pakistan community.

Journalists are being invited to continue the exchange of information and ideas between Pakistan and the countries visited.

Steps to attract investment from friendly countries are under consideration. Financial and other assistance is already being provided for business activities of reliable Pakistani parties in the Persian Gulf region and other countries. A trade delegation will be soon leaving for the Persian Gulf countries.

Quality control measures for export of rice and other commodities are being made more stringent to eliminate foreign complaints.

Arrangements for the sale of one hundred thousand tons of fuel oil to Turkey have been finalized.

The establishment of Kuwait-Pakistan Joint Investment Corporation is being expedited. The Corporation will have a capital of $25 million, equally contributed by the two sides, for promoting industrial development.

The Joint Ministerial Commission for economic and technical cooperation with Saudi Arabia and Libya are expected to meet soon.

Promotion of bilateral economic cooperation with Libya is being actively pursued. The establishment of Libya-Pakistan Holding Co. and the Pak-Libya Joint Shipping Company will be expedited now that Managing Director has been named for the Holding Company. The Pakistan-Libya Joint Publishing House project is being processed through the Council of Islamic Ideology in accordance with the CMLA's directive.

Ten thousand tons of rice have been sent as a gift to Afghanistan which is facing a serious food shortage as the result of a severe drought.

The CMLA approved visits to China by delegations of labour leaders and agricultural experts to observe and study manpower management and rural development in China.

Visit of President Ziaur Rahman of Bangladesh to Pakistan: 22-23 December, 1977.

President Ziaur Rahman was the first Bangladesh Head of State to pay an official visit to Pakistan. He was accorded a warm and enthusiastic welcome. His visit was a significant forward step in the process of reconciliation of the two brotherly peoples.

In their discussions, both sides emphasised the importance of past ties and the bonds of Islam and resolved to further strengthen their relations. They agreed that efforts should be made to increase trade and decided to set up a Joint Ministerial Commission to consider ways and means of increasing economic and technical collaboration.

CMLA's Message to President Sadat Regarding Future Status of the Holy City of Jerusalem

On December 25, the CMLA cabled a personal message to President Sadat reiterating the concerns of the international community and of the Islamic countries as expressed in the relevant UN Resolutions and at the Lahore Islamic Summit regarding the future status of the holy city of Jerusalem. In his message the CMLA expressed his confidence that in accordance with the expressed will of the Islamic community throughout the world, President Sadat would ensure that the question of Arab sovereignty over the holy city is not compromised.

Pakistan's Resolute support to the Arab & Palestinian causes

During his visit to China, the CMLA reaffirmed Pakistan's resolute support to the Arab and Palestinian causes and stated that peace in the Middle East cannot be achieved without Israeli withdrawal from all occupied territories including the holy city of Jerusalem and the restoration of the national rights of the Palestinian people including their right to establish an independent sovereign State of their own.

REVIEW OF CASES OF PERSONS COMPULSORILY REMOVED FROM SERVICE

For review of cases of persons who were compulsorily removed from service during the period 1st January 1972 to 5th July 1977, Martial Law Order No. 23 was issued on 22nd October, 1977. The M.L.O. covers Government employees and those employees of the corporations under Government control who were removed from service under MLR-114 under orders of the Government of the day. The total number of review petitions which have been received upto 30th November 1977 (the last date prescribed for the purpose) is 3776.

Federal Government employees	:	816
Punjab Government employees	:	1731
Sind Government employees	:	894
N.W.F.P. Government employees	:	318
Baluchistan Government employees	:	17
		3776

10 Review Boards have been set up under MLO 23; 1 under the Federal Government, 2 each for Punjab and Sind, 4 for N.W.F.P. and 1 for Baluchistan. The Review Boards have started functioning and have been directed to complete the work with all possible speeds. Since, however, the Boards have to give hearing to the affected petitioners and also examine their personal records the review work is likely to take some time. It is estimated that with all possible speed the work can be completed in about 3 to 4 months.

PUBLIC SERVICE COMMISSION

The Federal Public Service Commission has been reconstituted under a new Ordinance and the status of the Commission has been enhanced by making the following provisions in the Ordinance:–

(i) the salary, allowances and privileges of the Chairman and the Members of the Commission shall not be varied to their disadvantage during their term of office;

(ii) the Chairman or Members of the Commission shall not be removed from office except in the manner applicable to a Judge of a High Court; and

(iii) the Chairman and Members, on ceasing to hold office on the Commission, shall not be eligible for further employment in the service of Pakistan except that a Member might be appointed as Chairman of the Commission.

The above provisions will ensure that the Commission can function as an independent body, free of political influence. This will restore the confidence of the people in the impartiality of the recruitment process for Government service.

LATERAL ENTRY AND OTHER IRREGULAR APPOINTMENTS

The previous regime made a very large number of irregular appointments in the Centre, Provinces, Corporations, etc., on considerations other than merit. Most of these appointments were politically motivated. The prescribed procedures laid down in the rules governing such appointments were either not followed or were amended to suit the convenience of candidates. The total number of such appointments is 5,476 of which roughly half are in Grade 16 and above. The break-up is as follows:—

Federal Government	:	2796
Punjab	:	1519
Sind	:	650
N.W.F.P.	:	451
Baluchistan	:	60
		5476

The Government has undertaken a review of all these irregular appointments. Unlike the practice followed by the previous regime, no arbitrary, capricious or hasty decisions will be taken. Persons who have the requisite

qualifications and whose performance has been satisfactory, will be considered for retention in service. However, incompetent political appointees who do not even have the prescribed minimum qualifications or their performance during the period that they have been in service has been unsatisfactory will be removed.

SECURITY OF TENURE OF CIVIL SERVANTS

Government is aware of the sense of insecurity which has been prevalent amongst Government servants and which was deliberately introduced by the previous regime so that the civil services act as a pliable tool in the hands of the politicians. It has already been decided, in principle, that requisite safeguards against arbitrary removal from service, and in regard to their basic terms of service should be provided to the civil servants. The question whether these safeguards should be provided through an amendment in the Constitution or by amending the Civil Servants Act of 1973 is currently under consideration of the legal experts.

COMMISSION ON CIVIL SERVICES OF PAKISTAN

A Commission has been appointed under the Chairmanship of the Chief Justice of Pakistan to review the structure and organisation of the civil services with a view to enhancing efficiency and professionalism, and recommend measures for making the Public Services an instrument of national development. Representation on the Commission will be given to Administrators, Educationists, Doctors, Engineers, Scientists and Women.

REVIEW OF THE WORKING OF ORGANISATIONS

Apart from taking action in individual cases, the Government has ordered investigations into the performance and working of a number of organisations which were beset by administrative malfunctioning and financial improprieties. The main objective of carrying out these probes was to highlight

the areas of weaknesses and to take corrective and remedial measures to bring the working of these organisations on a sound footing and even keel. Some of the important organisations brought under this review are the units of the Board of Industrial Management for which a Special Commission headed by Mr. Uqaili has been set up; the National Film Development Corporation, the Family Planning Organization, Commission on Cultural & Historical Research, the Pakistan Television Corporation, the National Construction Company, the Shipping Corporations, the Railways, the National Council of the Arts etc. Remedial measures to improve the performance of these organisations and disciplinary action, where necessary, are in hand.

LAND REFORMS INVESTIGATION

A Committee of Experts has been appointed to review the entire range of Land Reforms introduced by the previous Government between 1972-77, their implementation in various regions and their effect on various individuals. The Committee will try to ascertain how far the reforms were honestly implemented in the four provinces.

ENQUIRIES UNDER MARTIAL LAW ORDER NO.17

Martial Law Order No.17 has been issued to deal with officials in Government service or in Corporation service who are alleged to be inefficient, corrupt, guilty of misconduct, guilty of interfering in elections, subversion or any other illegal act. Enquiries under this order are in progress against 13 senior officers. These inquiries have been completed, and the reports submitted by the Inquiry Officers are in various stages of completion.

REORGANIZATION OF THE FEDERAL MINISTRIES

It has been decided to reorganize the Federal Secretariat. The objective of this reorganization is two fold (a) to streamline the functioning of the Federal Government and (b) to effect economy in non-development expenditure. The scheme of reorganization will be announced soon.

EDUCATION POLICY

Pakistan is an ideological State and its educational system, therefore, shall be based on its ideology, cultural heritage and the principles and practices of Islam.

The recently concluded National Education Conference has identified the aims that Pakistan should attempt to realise through education. The Government is now examining all aspects of education in the light of the recommendations of the Conference and a new Pakistani education system will be initiated soon. This system will concentrate on ensuring adequacy and relevance of curriculum around the principles of Islam and the ideological basis of Pakistan's creation. It will also provide, among other things, necessary facilities for the all round development of an individual's personality. Students welfare will also be an important feature of the new policy.

As was announced at the National Education Conference, the new system will accord the mosque its rightful place in the lives of the Muslims as the citadel of intellectual, social and spiritual development. Henceforth, the mosque will also be used as a basic unit of education in selected localities, initially on an experimental basis with the consent of the local communities but keeping its sanctity fully intact.

The use of mosque as a basic unit of education may be the quickest way to achieve universal literacy. The onerous task of providing education to the people of Pakistan, however, needs to be shared by the private sector. It has, therefore, been decided to encourage private enterprise to establish educational institutions on non-commercial basis and on terms and conditions duly approved by the Government. This step will allow public spirited individuals and organisations to come forward and open and manage educational institutions according to prescribed standards.

These measures are intended to create an education system which appropriately reflects the aspirations and cultural heritage of the Pakistani people. Education, however, is a sector which needs constant watch and improvement. For this purpose, it has been decided to set up a National Education Council to keep under constant review the performance of the education sector and to make available to the Government such advice as it may need from time to time. The setting up of the Council has been necessitated by the fact that every time a change takes place in the Government, some ad-hoc Committees or Commissions are set up to review the education system and to advise the Government on the reforms needed. The National Education Council will be a permanent consultative body on education and will initiate policy measures for re-organizing and strengthening the system on a continuing basis.

RURAL DEVELOPMENT

The Government have recently approved in principle a strategy for rural development which aims at providing the following minimum essential services to make discernable improvement in the living and working conditions of the rural masses:–

i) Water and land development including supply of drinking water.
ii) Primary education.
iii) Agricultural inputs like seed and fertilizer.
iv) Basic health facilities.
v) Electricity.
vi) Cottage industries.

The new rural development strategy seeks to establish institutions at grass-root level so that they are closer to the rural population. It also seeks to bring about cooperation among the people, private agencies, nation building departments and the proposed Local Government institutions so that a coordinated effort can be made to improve local services, increase production and ensure accountability at all levels.

The new strategy requires all local developmental projects to be prepared and implemented at the local level. For this purpose, it is proposed to set up a framework of local bodies throughout the country. Apart from district councils, there will be local councils at appropriate sub-district level to cover an optimum size of population within appropriate geographical areas.

The new strategy involves the creation of 400-600 Rural Development Planning Centres throughout the country. The location and the number of such centres would be determined by the Provincial Governments keeping in view geographical, administrative and growth factors. Maximum utilization would be made of the existing buildings and infrastructure instead of constructing huge buildings as was the case in the past.

The Rural Development Planning Centres would be responsible for assessing the needs of the area in consultation with the people in respect of certain basic essentials like drinking water, food, clothing, bare minimum dwellings etc. They would be required to immediately arrange for starting primary education facilities. Where buildings are not available, the existing mosques would be used for this purpose. Similarly, they would be required to provide basic health and veterinary cover. Farms inputs like improved seeds, chemical fertilizers and agricultural machinery which are now managed at district headquarters would be provided in the rural areas within easy reach of the farmer. As far as possible, farmers would be encouraged to handle the management of seed and fertilizer depots either individually or through co-operatives. Likewise it would be the effort of the Government to provide farm machinery on hire at convenient and accessible points in the rural areas. To enable the small farmer to get a fair price for his produce and to eliminate exploitation by the middle-man, marketing of farm products would be organized through farmers organizations or co-operative institutions. To facilitate the flow of production inputs into the rural areas and farm products to the market, a net-work of rural roads would be constructed under a phased programme compatible with the availability of resources. Rural electrification

would also be undertaken in accordance with a phased programme. Steps would also be taken to encourage the setting up of small industries, particularly agro-industries based on local raw material and available agricultural waste so that more employment opportunities are created in the rural areas. Cottage industries would be expanded and the quality of their output improved so that the products become more acceptable in the towns and cities and even in the export markets.

To meet the needs of trained manpower required for undertaking a programme of this magnitude, training institutes such as the National Centre for Rural Development and the Pakistan Acadamy for Rural Development would be adequately strengthened. Similarly the Provincial Governments would be advised to step up training of personnel in various institutes which already exist in the Provinces.

The Government is resolved to undertake a programme of rural development which would encompass the entire country. All programmes will be merged and directed towards the same end. Duplication of efforts and wastage of funds would be avoided. In its determination to provide basic amenities of life to 55 million people living in the rural areas, the Government would no doubt mobilize all resources, human and material, but a great deal has to be done by the people themselves. Farmers will have to work hard, assimilate new ideas and accept new technology. Women in the homes would be afforded facilities to improve their skills so that in their spare time they can produce some handicrafts or do other productive work to add to the income of the family. The youth and children would have to give greater importance to education so that they can serve the nation with dedication and sincerity. The countryside must have prosperous, progressive and educated farmers instead of poverty-ridden and illiterate persons who have been exploited for generations.

CRIME STATISTICS

During the meeting with the Inspectors General of Police on the 21st August 1977, and the Inter-Provincial Conference held on 3rd December 1977, the Chief Martial Law Administrator was pleased to give directions on the importance of maintenance of law and order, regular police patrolling, control of crime, the responsibility of the Deputy Commissioners, the Magistrates, the Superintendents of Police and SHOs for maintaining law and order in general and control of crime in particular.

The Chief Martial Law Administrator also directed that the condition of police station records should be improved with particular reference to the maintenance of history-sheets and the entry of names of bad characters in the surveillance register. These directives of the Chief Martial Law Administrator have been communicated to the concerned authorities for strict compliance and we are keeping a watch on their implementation.

The question of traffic problems in general and road accidents in particular, has been under close and constant examination. The Inspectors General of Police of the four Provinces have been directed to keep a close watch on the enforcement of traffic laws with a view to minimising traffic accidents and the violations of Motor Vehicles Ordinance. Recently, an Adviser on Highway Safety has been appointed who has already initiated several measures for the improvement of the traffic situation in the country.

Police Commissions have been appointed by the Federal Government from time to time to look into the working of the police and submit recommendations for bringing about improvement in their performance. The last such Commission was appointed in 1969 and was headed by Major-General A.O.Mitha. The recommendations of this Commission were submitted to the Federal Government in 1970 but were never considered by the Cabinet nor any action taken on them. These are now being examined under the directions of the Chief Martial Law Administrator.

Since 1947, two medals, namely, the Pakistan Police Medal and the Quaid-i-Azam Police Medal were awarded to the police either for meritorious service or for gallantry. In 1973, the awards for meritorious service were discontinued by the then Prime Minister. I have decided to reintroduce this award.

A survey of serious crimes registered in various Provinces during the period 1st July 1977 to 15th December 1977 compared with the corresponding period of 1976 shows that:–

a)The incidence of crime in its totality decreased by 4344 cases compared with the same period last year (65822 against 70166). There has been a decrease in Murders (–230), Attempted Murder (–499), Hurt (–431) and Cattle Theft (–291). Due to greater police vigilance and activity 4788 more cases were registered under the Arms Ordinance this year. Traffic accidents have gone up during the period under review as there was an increase of 125 cases under fatal accidents and 481 cases under non-fatal accidents.

The existing traffic laws and regulations are outmoded. They do not provide effective and adequate cover for the entire range of safe driving practices. The Government intends to make far-reaching changes in these laws including the Motor Vehicles Act 1939, as amended by the Motor Vehicles Ordinance of 1965. A new Ordinance is under consideration.

The new Ordinance is intended to improve the existing laws relating to issue of licences, driving tests, medical fitness of drivers, insurance coverage, reporting of accidents and safety of road-users. The laws relating to accident punishment will be made more stringent.

The root cause of traffic chaos and accidents in Pakistan is the ignorance

of the road-users and the general public about the traffic safety rules. The Government has, therefore, decided to launch an intensive campaign to provide traffic safety education. All mass-communication media will be utilized for this purpose.

It has also been decided to re-organise the drivers' training schools existing in the country. The Government will devise proper syllabi for training of drivers and will also provide financial incentives to the private sector to open more driving schools and equip them with modern training aids.

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